



# United States Department of the Interior

## NATIONAL PARK SERVICE

1849 C Street, N.W.  
Washington, D.C. 20240

IN REPLY REFER TO:

AUG 7 2007

Re: Minnesota Hotel, 338 NW 5<sup>th</sup> Avenue, Portland, OR  
Project Number: (14166)  
Taxpayer's Identification Number:

Dear

My review of your appeal of the decision of Technical Preservation Services (TPS), National Park Service, denying certification of the rehabilitation of the property cited above is concluded. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 CFR Part 67) governing certifications for Federal income tax incentives for historic preservation as specified in the Internal Revenue Code. Thank you, for meeting with me in Washington on April 24, 2007, and for providing a detailed account of the project.

After careful review of the complete record for this project, I have determined that the rehabilitation of the Minnesota Hotel is not consistent with the historic character of the property and the historic district in which it is located, and that the project does not meet Standards 2 and 5 of the Secretary of the Interior's Standards for Rehabilitation. Therefore, the denial issued on March 1, 2007, by TPS is hereby affirmed. However, I have further determined that the project could be brought into conformance with the Standards, and thereby be certified, if the corrective measures described below are undertaken.

The Minnesota Hotel was constructed in 1901 and served as a residential hotel in downtown Portland. The initial rehabilitation of this "certified historic structure" was designated a "certified rehabilitation" on August 23, 2005. A formal amendment was submitted September 18, 2006, which involved the rehabilitation of the second floor. TPS determined that the largely completed work did not meet the Standards owing to the extensive removal of finishes in the consistently finished spaces, specifically the exposed ceilings and wood structural posts.

With respect to the ceiling and structural posts, TPS determined that the removal of finishes produced a warehouse appearance and therefore was incompatible with the building's historic character. The formerly finished space was characterized by the planar surface of the ceiling and the clean finish of the wooden posts. I agree that the removal of the finishes in this historically finished space effects a pronounced change in both the appearance and historic character of the interior, and thereby causes the project not to meet Standards 2 and 5. Standard 2 states: "*The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*" Standard 5 states: "*Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.*"

While the project as completed cannot be approved, I have further determined that the project can be brought into conformance with the Standards, and thereby achieve the requested certification, if corrective measures are undertaken. Specifically, the second floor ceiling must be covered with plaster or

gypsum board that recaptures the smooth, unbroken surface of the ceiling prior to rehabilitation. Additionally, the exposed wooden structural posts must be covered in hard surface such as plaster or gypsum board. This work would allow the project to be certified as meeting the minimum requirements for certification established by law.

If you choose to proceed with the corrective measures described above, you may secure certification of the rehabilitation by filling out the enclosed Request for Certification of Completed Work and submitting it with photographs of the completed work to Technical Preservation Services, National Park Service.

At the appeal meeting, you proposed an alternative ceiling treatment of fabric to achieve a smooth, unbroken ceiling plane, consistent with the historic character of the second floor, while avoiding the acoustic reflectivity of a hard-surfaced ceiling. If you wish to explore this option, photographs of a mock-up of the treatment in place must be submitted to this office so that it can be evaluated prior to installation to ensure conformance with the Standards. Note that this project will not become a "certified rehabilitation" eligible for the tax incentives until it is completed and so designated.

As Department of the Interior regulations state, my decision is the final administrative decision regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,

A handwritten signature in black ink, appearing to read 'John A. Burns', with a stylized, flowing script.

John A. Burns, FAIA  
Chief Appeals Officer  
Cultural Resources

Enclosure

cc: OR SHPO  
IRS